

# Tuna Market Intelligence

Issue 60, October 10, 2017

*Your fortnightly report on trends and influencers on the global tuna market from the Pacific Islands.*

## MARKET UPDATE

Bangkok prices for frozen whole round skipjack have been USD 2150 - 2200/mt. throughout the month of September.

As traders note the worst supply in years, many canneries ready themselves for prices to remain high for the upcoming months. Some buyers for Thai canned tuna are reported to be unable to pay for product at this time. The annual Western and Central Pacific Fisheries Commission Fish Aggregating Device (WCPFC FAD) closure, coupled with catch restrictions in all other Regional Fisheries Management Organizations (RFMOs), is a large contributor to the high prices that are expected to remain above USD 2,000/mt. through at least October when the WCPFC enforced ban concludes.

## INFLUENCERS REPORT

### PNA proud of sustainability achievements

The Parties of the Nauru Agreement (PNA) are proud to still be the largest sustainable tuna fishery globally and with the strictest chain of custody available. This accomplishment has been long in the making, dating back to the 1980's when they began with vessel registration, catch log book requirements and mandatory reporting of EEZ entry and exit. By the mid-2000's they achieved high seas pocket closures, periodic FAD bans, tuna catch retention and 100% observer coverage as well as 100% port-to port satellite tracking. Since 2010 PNA instituted whale shark prohibition, minimum mesh size and net regulation, at-sea and port sampling, FIMS satellite monitoring, and hard limits on VDS. In 2011 PNA was awarded MSC certification for its well-managed and sustainable skipjack and yellowfin fisheries. They created Pacifical, marketing PNA's MSC-certified tuna. According to WCPFC 2017 Data there has been a 10% increase in free-school sets within the WCPO, coupled with a 61% reduction of FAD sets since 2011.

Pacifical has created an infogram that shows PNA's progress over the years in a clear and succinct visual. To view the infogram, see [http://www.pacifical.com/real\\_change.pdf](http://www.pacifical.com/real_change.pdf)

### John West awarded "Brand of the Year"

Congratulations to Simplot for winning the MSC (Marine Stewardship Council) Oceania "Brand of the Year" award for its John West Tuna. John West has been using tuna from PNA MSC certified fisheries in the Western and Central Pacific Ocean, cobranded Pacifical on every can. According to Foodprocessing.com.au, John West is working toward making 60% of its total shelf seafood range MSC certified by 2018.

Foodprocessing.com.au quotes Anne Gabriel, MSC Oceania Program Director, as saying that "These Wave of Change Awards celebrate partners that are forging ahead on sustainability commitments and creating positive change through the industry. From empowering young leaders like SEA LIFE Trust and Taronga Zoo, to John West completely overhauling its supply chains to offer the largest range of MSC certified tuna in Australia, these organisations should be proud to say they are looking out for the future of our oceans and contributing to the 1200 impacts on the water MSC." PNA, in congratulating John West noted, "100% of its canned skipjack range are now MSC/Pacifical cobranded."

### Migros content with MSC consultation efforts

Migros, a leading Swiss supermarket chain, has determined it is satisfied with the Marine Stewardship Council's (MSC) recent efforts to strengthen its guidelines and no longer supports the possible actions that the On The Hook campaign plans against Migros' competitors. It's name has been removed from On The Hook's website, leaving only one retailer listed as a supporter on the site.

On The Hook is a group, led by a pole and line businessman, John Burton, from the UK that is criticizing MSC's fundamental "theory of change" which underpins

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MSC certification of fisheries that are allowed both free-school and non-free-school catches of the same species or separation of species on the same fishing trip.

MSC has initiated the consultation addressing their Units of Assessment.

## **PNG's Pacific Forum offers big learning curve**

Jerry Kramer sees fisheries as the future of the Marshall Islands and Pacific International Inc. (PII) as an integral contributor. His company, PII, which has recently created what many captains say is the best net yard in the Western and Central Pacific Ocean, is seeing increased activity and positive return on the investment.

But that is the tip of the iceberg. Kramer wants Majuro to be “one stop shopping and preferred service port” for tuna boats in the Pacific. Among Kramer's plans is a fisheries dock project, with cold storage facilities and a dry-dock with the capacity to pull ships out of the water that will greatly expand services offered to fishing vessels that come to Majuro. Kramer noted with gratitude, technical and financial consideration from the Forum Fisheries Agency (FFA) and the International Monetary Fund (IMF), help that will help accelerate and make the dock project a reality, as well as making sure it is done right.

The biggest news may be that PII plans to get into the transshipping business, and as a stepping-stone to that goal, aims to be the first Marshallese company with a Marine Stewardship Council (MSC) Chain of Custody (CoC) Certificate. Having the coveted MSC Certificate would reflect that PII is well managed and uses sustainable, critically regulated rules and practices to protect the quality of the fish with minimal environmental impact with respect to its fishery related work, practices that most markets demand when purchasing seafood.

Kramer sees his transshipping goals as a step towards processing fish on-island in Majuro. He sees millions of lost dollars going to other countries when foreign vessels fish in RMI waters and take the catch directly to other countries for processing. If those fish were landed on

Majuro soil, Kramer sees potential of hundreds of jobs that would be created in the RMI, coupled with increased tax yields and revenues.

While Kramer's dreams have been in the works for some time now, his recent trip to the Tuna Forum was enlightening and energizing – and a large learning curve. Kramer saw what other Pacific nations have in the works and he realizes that timing is critical. He says the RMI needs to be careful, that “we don't lose what we've got,” as the region's largest tuna transshipment port. He looks to the government to have a positive, proactive attitude toward supporting the fisheries industry and fishery-related opportunities. He suggests the government should spend some time re-evaluating past practices and decisions; special rates and special privileges for some are costing the government millions. Kramer notes that while there are concerns about foreign fishing vessel crews, these people are part of the system that is bringing tens of millions of dollars into the RMI. “Most of these crews are hardworking seamen trying to make a living for their families. These crews should be regarded, treated and assisted as friends by our community.”

Meanwhile, Kramer is quick to extoll praise on PNA. He wonders if the people in Majuro really realize “the honor, benefits, and the opportunity of having the PNA office here in Majuro.” He acknowledged help and guidance from PNAO leaders Ludwig Kumoru and Maurice Brownjohn, and expressed hope that the PNA headquarters would remain in Majuro for the long term and continue to introduce innovations to maximize the benefits for the eight countries it serves.

## **Princes appeals re-labeling directive**

Princes, a major European tuna firm, brand, and MSC are appealing the Dutch Advertising Code Authority's decision to require Princes to re-label their MSC Certified tuna. Specifically, PNA and co-branded Pacifical's tuna was targeted.

Of the various statement on the labels, the ones that translates “This product comes from a fishery that is independently certified according to the MSC standard

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for a well maintained and sustainable fishery...” and “Princes collaborates with fishermen that are MSC certified and that are active for sustainable fisheries. This tuna is caught responsibly, 100% traceable and MSC certified” were among those challenged by the On The Hook campaign (see Migros article above) and prompted the hearing and resulting decision from the Dutch Advertising Code that these statements were, in their view, considered misleading.

MSC stands by its standards and the certification, reiterating that an independent assessment body thoroughly assessed and found PNA to meet MSC’s stringent standards. MSC “is confident that the claims carried on MSC labeled products meet international guidelines set by the United Nations Food and Agriculture Organization, including its definition of a fishery.”

According to Atuna, Princes stated that it is “fully committed to the long term sustainability of the tuna used in all of its products, and its goal is to source all of its branded tuna from fisheries that are MSC certified.

MSC is also appealing the ruling through its lawyers.

## **Palau’s Port State Measure workshop aims at IUU fishing**

Palau hosted a four-day Port State Measure workshop with the Food and Agriculture Organization (FAO) of the United Nations that began August 28. The purpose of the workshop was to help Palau address Illegal, Unreported and Unregulated (IUU) fishing that occurs in their waters.

According to fao.org, “The FAO Agreement on Port State Measures (PSMA) to Combat Illegal, Unreported and Unregulated Fishing has been designed to intensify global collaboration between fisheries and port authorities to eliminate IUU fishing, through globally agreed standards for concerted action and will enable better inspections and controls at the ports on vessels and increasing flag state responsibility.”

Minister of Natural Resources, Environment and Tourism Umiich Sengebau was quoted as saying, “By creating a network of nations that share information when a vessel

may be trying to land illegal catch, the PSMA aims to create the level of international cooperation we desperately need to police not just individual pirate ships, but the whole global fishing industry.”

Palau announced goals to come out of the workshop with an action plan and national strategy. The workshop will also help Palau better implement Catch Documentation Schemes, enabling Palauan fisheries to track their fish from source to shelf.

## **Decreased supply does not necessarily mean decreased revenue**

Decreased supply of tuna has created industry fear that consumers will not purchase canned tuna at higher prices. Economists at the Universities of Huelva and Nantes, located in Spain and France, have done a demand analysis of the Spanish tuna market and concluded that canned tuna in oil is the most consumed canned fish product and, that according to what Patrice Guillotreau, one of the authors of the study, told Atuna, “the consumption of the product would increase more than proportionally to a rising income, that it is expected that expenditure on canned tuna will rise in line with elevated earnings.” Shoppers might decide to purchase a less valued tuna product, but would stay with tuna. This suggests that processors might be able to lower their production volumes while increasing prices, thus maintaining their revenue. Guillotreau adds that he does not consider Spain to be unique among European countries, but that the other markets would likely react in similarly.

## **WCPO tuna catch up in 2016**

Feleti Teo, Western Central Pacific Fisheries Commission (WCPFC) Executive Director reported the WCPO tuna catch for 2016 is the second highest on record. Teo stated at the Pacific Tuna Forum in Papua New Guinea that tuna landings of all tuna species totaled almost 2.72 million metric tons, up from 2.69 million in 2015. 67% of these landings were skipjack tuna, equating to 1.81 million metric tons. 69% of the catch was by purse seine vessels.

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## Thai-Union is whistleblower in “Big Three” tuna scandal

In exchange for being the whistleblower on Bumble Bee Foods, Thai- Union, the company that owns Chicken of the Sea, will not face criminal fines, jail or prosecution from the US Department of Justice (DOJ). Thai-Union employees will be privilege to these same protections, in exchange for the company’s full cooperation with the DOJ in their investigations of the packaged seafood industry.

Thai-Union is till subject to several civil lawsuits, brought by US customers and retailers including Target, Walmart and Kroger. Three more retailers have joined a long list of plaintiffs, suing Bumble Bee, Thai Union and StarKist for price-fixing. All three companies filed motions to have all claims from retailers and other plaintiffs on price fixing dismissed on grounds that the plaintiffs lacked factual information. The request has been denied, however all civil lawsuits are frozen during the DOJ investigation and are being delayed as depositions are blocked and the tuna companies have replaced their legal teams.

Bumble Bee has been fined and it’s executives Walter Scott Cameron and Ken Worsham have pleaded guilty to conspiracy. StarKist’s executive Staphen Hodge plead guilty as well.

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